

**MINUTES
BUSINESS DEVELOPMENT COMMITTEE
TUE –FEBRUARY 1, 2007**

Present - Committee Members- Kimberly Lay, Blake Clemens, Chick Martin, Lynn Stofer, Rex Sedwick

Addison Representatives- Mario Canizares(Town), Bryan Langley(Town), Alan Wood (PNZ)

The meeting began promptly at 6:30PM. Kimberly Lay covered the agenda and introduced our guest from Richardson, John Jacobs of the Richardson Economic Development Committee.

John Jacobs comments – what does the Economic Development offices do – over 10,000 in the country, some are public some are private models and various other versions exist depending on the community's orientation. Richardson has been in the economic development a long time ago (1984) – tax revenues and job creation are primary functions. Addison has 75% of tax base from industry and business which is outstanding. He commented that other communities respond to competition and that this is the main reason for local economic development efforts. In 1984 Richardson put together a private/public partnership recognizing this need.

Components – job #1 is retention and activities that reinforce that goal – meet with businesses whose leases will expire in two years – mayor gets involved and have monthly mayors luncheon. Take top 10 to 15 companies in number of employees and stay close to them – meet the new CEOs as they change – web is a good source of tracking the changes. Lots of activities weekly in Richardson that allow networking. Metroplex Technology Business Council has been very effective. There is good attendance from the VC community at these meetings.

Attraction is the other component – what do you do to get the new companies to move into Richardson. The City does some ads. Biggest chunk going to Dallas CEO in Metroplex (20,000 reach). The best thing that has worked public relations wise is the Telecom corridor name. Branding the area - Unique aspect of Richardson is that lots of executives don't live in Richardson but they get involved in the economic development function. You need to be alert to things that change and then decide what you have to do to keep the existing businesses in the area.

Lots of entrepreneurs want to start the business in Richardson. Trips have worked well for Richardson – i.e. a San Jose visit to VC firms in that area as a way to get them to think about Richardson for newly funded companies.

Number one principle of economic development is to be prepared – CoStar data base can help whittle down the selection quickly – common denominator is land and building to occupy. Richardson works with property owners closely to be sure they are ready to go. They also ally themselves with other groups that are not competitive

New business formations or startup companies are important – they have the StarTech Incubator which is a seed capital provider to help get companies started. They have seen participation from several of the venture capital funds.

What is the ROI from Economic Development function? How much taxable property has been developed – what are the real estate and personal property taxes and how much sales taxes has been generated by the business. This all leads the questions what does Economic Development cost and what return has the city seen from this effort? Some of the other determinants are wrapped up in any tax abatements that have been granted or permitting waivers, curb cuts, etc. Richardson has done guarantee agreements to help businesses get leases. Typically, these would burn off over a few years after the business has gone through its startup phase. They tend to not use any more tax abatement then possible as these are very public – Richardson has had greater success doing low profile incentives in the economics make sense.

How does the funding of Economic Development work in Richardson? This is somewhat informal but is a line item in the city budget. The annual level of funding is about \$800,000 annually. This covers staff and trade shows. Compared to a town like Frisco that is spending \$8 million the Richardson budget is small.

Initially, Richardson Economic Development had a traditional Board but then switched to a Board that connected to the High Tech businesses in the city. They felt this kept the city in touch with developments in the high tech area. Last year the Economic Development office did 4 or 5 deals of the 44 deals done in the city that year.

How do you handle long term businesses feeling left out of incentives? Here is where you need to educate the existing businesses in the city that the more tax base the city can generate the better off everyone in the city will be. The goal is to keep tax rates in the city low for everyone.

Mr. Jacobs then handed out various tracking information and planning methods used by the Richardson Economic Development office. Copies are attached. This office appears to be run in a very businesslike manner. They meet with the City Council on a quarterly basis and do both public and private sessions.

We thanked Mr. Jacobs for his time and information

Blake Clemens asked – do we need an economic development office? This was a topic that we all agreed need to be discussed further in subsequent meetings.

Mario Canizares is lining dates to visit Mary Kay and Pizza Hut.

David Market was not in attendance tonight and his report on Love Field and Redbird Airport will be delayed until a future meeting.

Blake Clemens share with the committee that he had met with Dan Baso a 45,000 sq ft office space user with Systemware. Baso was pleasantly surprised on what we were doing in Addison to find out why businesses are located in the Town. His comment is that his reason is to have the office close to his residence and didn't have any other linkage to Addison. This was not a negative conversation but more of a non-plus conversation. Blake Clemens also met with Johnny Gibbs – software mortgage servicing in the Midway area. He had a similar meeting with him like the Baso meeting.

Kimberly Lay will meet with the head of Wachovia. She has visited others – both people that have moved to and moved from Addison. PC Connection at the Midway Atrium got a great deal on their space and is very pleased with the Town. She will meet also with G.E. Capital shortly.

Lyn Stofer knows the Glasers principal and will visit with him.

The question was asked again – does Addison need an Economic Development Office? It was concluded that we need to focus on this topic and make some sort of recommendation.

Kimberly Lay recommends a monthly luncheon for business executives with Addison officials present to share plans for the Town. A dialogue with business people can be a safe haven for conversation. Other cities are doing this effectively – McKinney has a 12 @ 12 luncheon monthly with 12 city connected people and 12 business people from McKinney. This is targeted guest list with city officials each month.

Next meeting at Living Room at Town Hall on 2/6 tentative to be confirmed by Kimberly Lay at 6:30PM

Balance of meetings every other Tues (1st & 3rd Tues) 2/6 mtg

Respectfully submitted,

Chick Martin, Secretary




Town of Addison Business Development Committee February 1, 2007

Purpose:


At the end of this session, we will have completed the following:

- Compile questions / suggestions for Co-Facilitators to present at joint mtg on 2/3
- Hear from John Jacobs from Richardson Economic Development
- Summarize content of discussions with existing businesses & gather current feedback

Agenda:

- 
- Review minutes from last meeting & make any necessary changes
 - Update from M Canizares about class outing(s) to Mary Kay & Pizza Hut
 - Hear / discuss David Markel's summary of Redbird & Love Field's master development plans
 - Hear from John Jacobs about the Richardson Economic Development Program
 - Identify specific content of inquiry during existing Addison businesses
 - Evaluate Meeting Success
 - Summary and close

Length: 6:30 – 8:30 p.m. (15 minute break time - approx 7:30)



JOHN JACOBS

Biographical Information

John Jacobs has served Richardson since 1996 and is currently the Senior Vice President of Economic Development for the Richardson Chamber of Commerce. John directs the day-to-day activities of the Richardson Economic Development Partnership, a joint Chamber and City effort involved in business recruitment, retention and start-ups.

Prior to coming to Richardson in 1996, John served as Executive Vice President of Economic Development for the Garland Chamber of Commerce, Vice President-National Accounts for the Paragon Group, a nationwide commercial real estate developer, and Assistant Vice President-Real Estate and Industrial Development for the Missouri-Kansas-Texas ("Katy") Railroad.

John Jacobs has served as Chairman of the Dallas Area Economic Development Association and as President of the DFW chapter of the NACORE, a corporate real estate trade association and a predecessor to CoreNet Global. John holds the "Master of Corporate Real Estate" designation from CoreNet and is a licensed Texas Real Estate Broker.

Mr. Jacobs graduated with honors from the University of Texas at Austin with a Bachelor of Arts degree in Mathematics.

A Dallas native, John is an avid chessplayer, having won the Texas State Chess Championship five times. He currently serves as president of Dallas Area Chess-in-the-Schools, a non-profit agency which teaches chess to economically and socially disadvantaged children as a means of improving their self-esteem and critical thinking skills.

2005 REDP Strategic Planning

January 7, 2005

CONFIDENTIAL

I. RCC 2005 ED Goals

- A. Develop overall plan by end of 1Q 2005
- B. 1,000 new jobs by recruitment/retention/expansion (Stretch goal 1,500)
- C. 500,000 SF of commercial space occupied/built (Stretch goal 1,000,000 SF)
- D. Add 3 to 5 name-brand retail and/or restaurant operations
- E. Add 1 upscale restaurant close to Eisemann Center
- F. Initiate private sector fund-raising initiative

II. Vision Statement

" The REDP will be the driving force in developing, nurturing and enhancing a dynamic, flexible and diversified economy which provides an ample and sustainable tax base for the City and abundant economic opportunities and a high quality of life for the citizens of Richardson."

III. Mission Statement

" The REDP, through the actions and resources of its public and private partners, shall work efficiently and adroitly to create, facilitate and finalize projects and programs which result in enhanced tax revenues, job opportunities, greater positive notoriety for Richardson and enhanced quality of life for its citizens."

IV. Metrics (John)

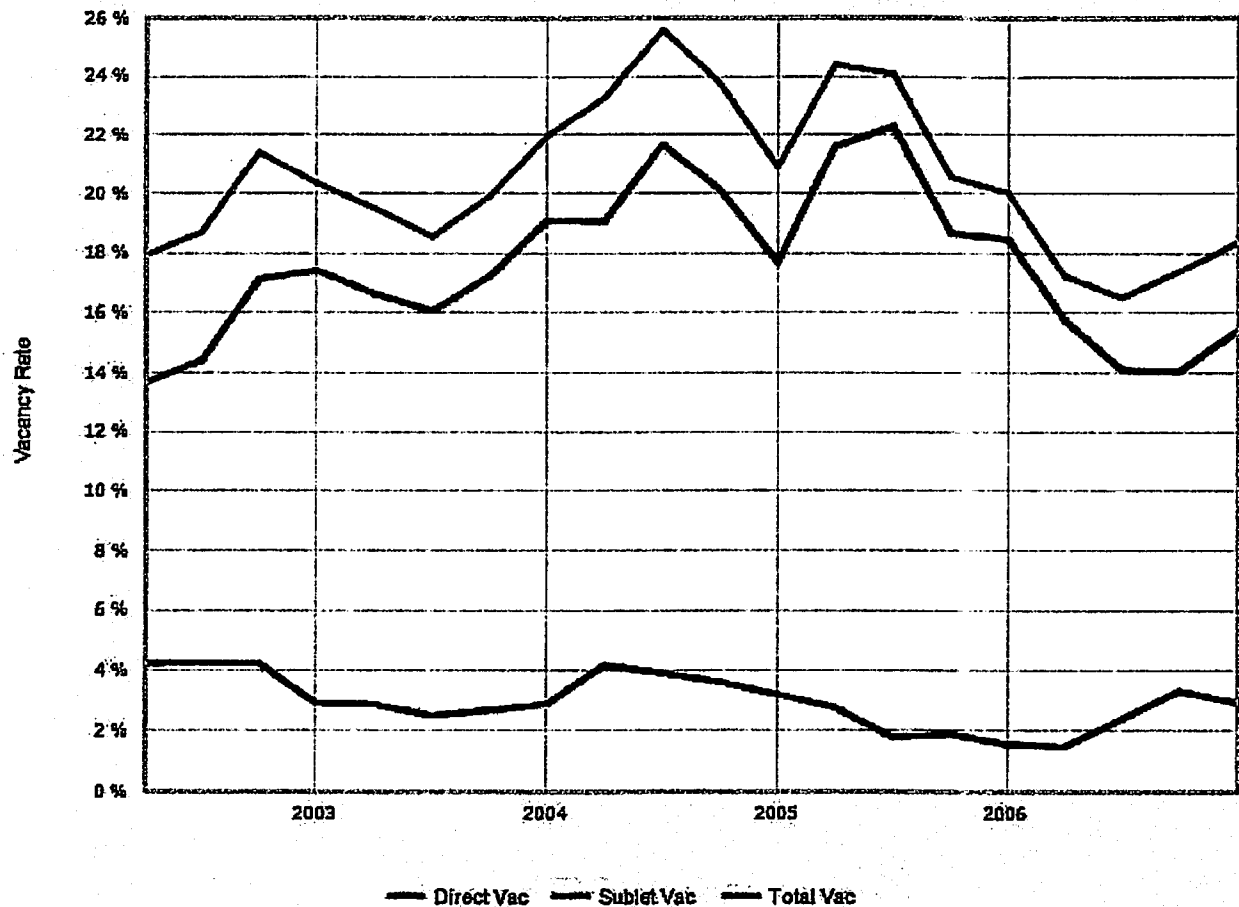
- A. New Jobs (RCC goal)
- B. Additions to commercial space occupancy and construction (RCC goal)
- C. New name-brand retailers (RCC goal)
- D. Total Office & Tech Space Occupied
- E. Sales Tax Generated (quarterly gross sales related to retail) (Sue/Pfeil)
- G. Estimated Property and Sales Tax Revenue Generated from located projects

2

#	1st CONTACT	LAST UPDATE	SOURCE	COMPANY	CO DESCRIPTION	INDUSTRY TYPE	ORIGIN	OCCUPANCY	RE NEED	EMP	TAX VALUE	RESULT
1	01/03/02	05/25/05	Broker	DeVry Institute	Technical training	NHT-Admin.	Metroplex	Lease	40,000 SF office	100	\$ 500,000	Project Dropped
2	01/08/03	05/25/05	Direct	Army Reserve	Army Reserve Information Operations Command (ARIOC)	HT-Telecom	National	Lease	TBD	90	\$ 450,000	Project Dropped
3	09/26/03	05/25/05	Broker	Panacea Consulting, Inc.	Arlington, VA based consulting firm	NHT-Admin.	National	Lease	30,000 SF office	120	\$ 600,000	Project Dropped
4	01/17/05	05/04/05	Direct	LSA-Cleanpart	Cleans, refinishes parts for semiconductor industry	HT-Semiconductor	National	Lease	28,000	60	\$ 1,500,000	Located in Richardson
5	05/28/04	04/21/05	Broker	Underwriters Laboratory	100-year old product safety agency	HT-Other	Metroplex	Lease	19,000 SF tech	10	\$ 75,000	Selected Plano
6	06/21/04	4/21/2005	Consultant	7-Eleven	Corporate HQ	NHT-HQ	Metroplex	Lease	380,000 SF office	1500	\$ 7,500,000	Selected DFW
7	08/01/04	6/15/2005	Broker	NTTA	North Texas Turnpike Authority	NHT-Admin.	Metroplex	Build	150,000 SF office	150	\$ 750,000	Selected DFW
8	11/05/04	5/25/2005	Direct	Grandstream Networks	Boston-based VoIP terminal products co.	HT-Telecom	National	Lease	1,000 SF tech	5	\$ 37,500	Project dropped
9	03/03/05	6/30/2005	Direct	Air Liquide	Industrial chemicals supplier	HT-Other	Metroplex	Build	3 acres	14	\$ 5,000,000	Located in Richardson
10	05/10/05	6/30/2005	Broker	Fluor Corporation	35,000 emp. Engineering & Constrution firm	NHT-HQ	National	Lease	80,000 to 100,000 SF office	170	\$ 1,275,000	Selected DFW
11	03/09/05	6/30/2005	Broker	Safeco Insurance	Data center CA-based company with Richardson office	HT-Other	Richardson	Lease	45,000 SF office or flex	150	\$ 750,000	Selected National
12	05/03/05	6/3/2005	Member Referral	D4D Technologies	Start-up tooth crown making company	HT-Other	Richardson	Lease	58,000 SF	65	\$ 500,000	Located in Richardson

Addison Office Space & Vacancy

Vacancy Rates



occupancy

Existing Bldgs:	80 of 80	
# Spaces:	293	
Existing RBA:	7,033,256	
Vacant:	<1,290,953>	18%
Occupied:	5,742,303	82%
Leased:	5,998,883	85%

availability

Vacant Avail:	1,236,951	18%
Total Avail:	1,405,620	20%
Direct Avail:	1,166,029	17%
Sublet Avail:	239,591	3%
Average Time:	19.3 Months	

leasing activity

Leasing YTD:	15,887	0%
Net Absorp YTD:	(73,949)	(1%)

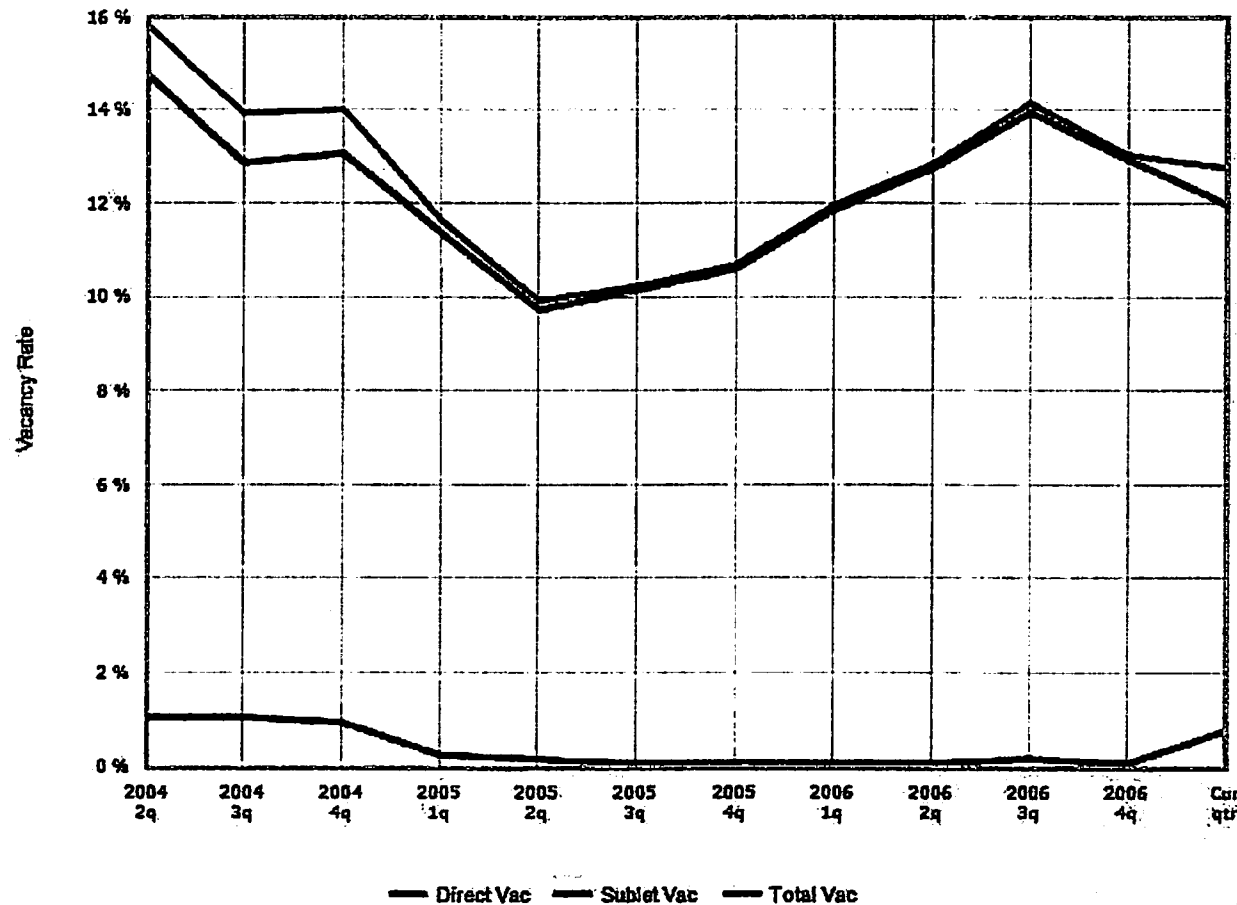
direct gross rent

Office range:	\$12.50-\$28.39/yr
Office Avg:	\$21.07/yr

5

Addison Flex Space & Vacancy

Vacancy Rates



occupancy

Existing Bldgs:	94 of 94	
# Spaces:	77	
Existing RBA:	3,323,817	
Vacant:	<424,387>	13%
Occupied:	2,899,430	87%
Leased:	2,944,843	89%

availability

Vacant Avail:	404,955	12%
Total Avail:	481,803	14%
Direct Avail:	455,822	14%
Sublet Avail:	25,981	1%
Average Time:	13.1 Months	

leasing activity

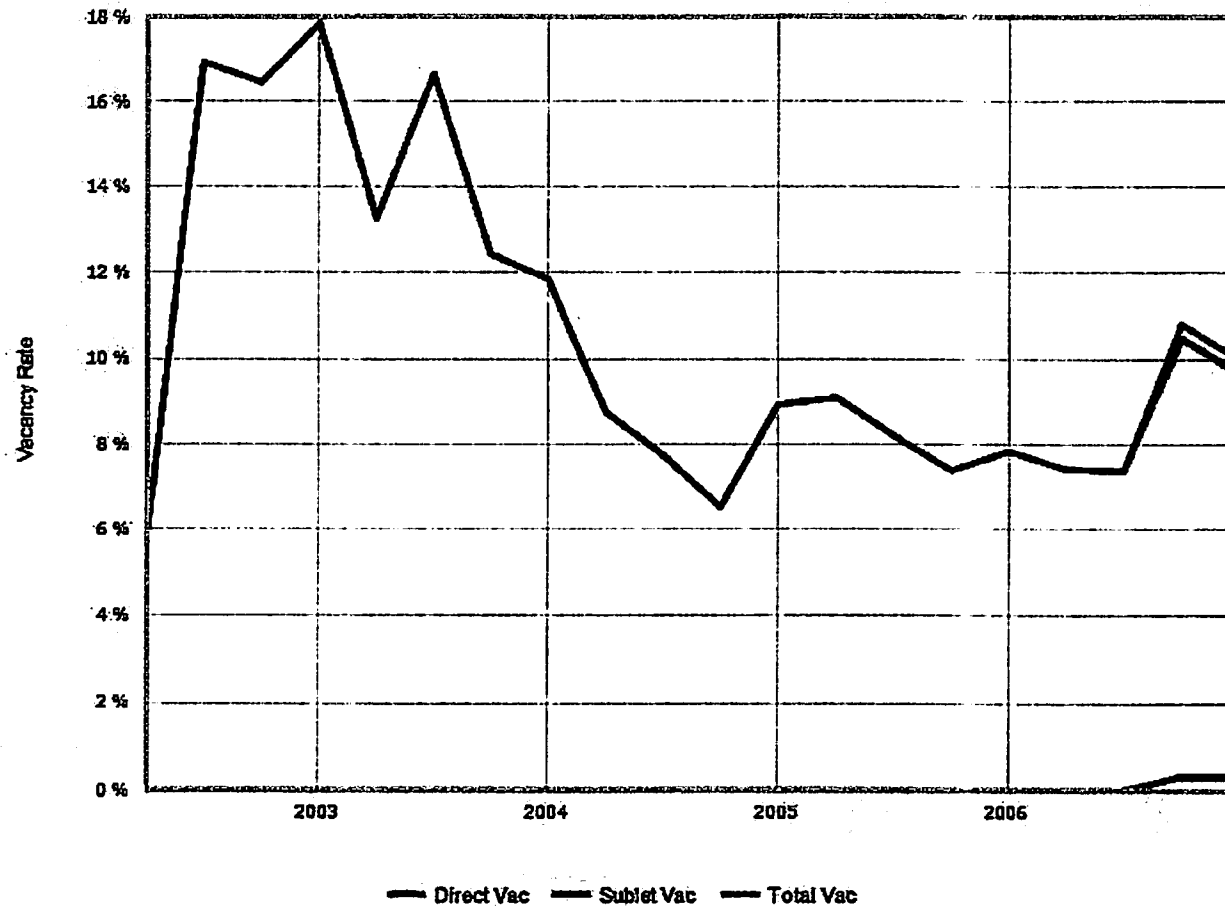
Leasing YTD:	8,509	0%
Net Absorp YTD:	6,898	0%

direct triple net rent

Flex range:	\$6.43-\$10.00/yr
Flex Avg:	\$8.25/yr

Addison Retail Space & Vacancy

Vacancy Rates



occupancy

Existing Bldgs:	53 of 53	
# Spaces:	51	
Existing RBA:	1,845,924	
Vacant:	<184,810>	10%
Occupied:	1,661,114	90%
Leased:	1,667,114	90%

availability

Vacant Avail:	184,810	10%
Total Avail:	206,825	11%
Direct Avail:	180,786	10%
Sublet Avail:	26,039	1%
Average Time:	14.7 Months	

leasing activity

Leasing YTD:	790	0%
Net Absorp YTD:	14,992	1%

direct triple net rent

Retail range:	\$11.00-\$25.00/yr
Retail Avg:	\$16.00/yr

ACCOR ECONOMY LODGING
AER MANUFACTURING
AFFIRMATIVE INSURANCE HOLDINGS INC
AIRBORN INC
AJ BART INC
ALL PLASTICS MOLDING INC
AMERICAN EXPRESS FINANCIAL ADVISORS
AMERIPATH TX, LP
ASD SPECIALTY HEALTHCARE
BARRETT BURKE WILSON ET AL, LLP
BEST PRESS INC
BOMBARBIER AEROSPACE
CARDIOVASAULOR PROVIDER RESOURCES LP
CGI-AMS
COGNICASE INC
COMMERCIAL EQUIPMENT CO
CONCENTRA, INC
CONSTRUCTION MANAGEMENT TECHNO
CORVEL CORPORATION
CREDIT SOLUTIONS
DAIMLER CHRYSLER/CHRYSLER
DELMAR SCIENTIFIC
FEDERAL DEBT MANAGEMENT
FIRST EQUIPMENT COMPANY
FIRST PRESTON MANAGEMENT
FOLSOM INVESTMENTS, INC.
GE CAPITAL REAL ESTATE
GLAZERS WHOLESALE DRUG CO INC
GLOBALTEC SOLUTIONS
HQ GLOBAL WORKPLACES INC
IONEX TELECOMMUNICAITONS INC
KIM INTERNATIONAL MFG INC

LAWERNCE A CATES ASSOCIATES
MARY KAY COSMETICS INC
MBNA HALLMARK INFORMATION SVCS
MICROLAND ELECTRONICS CORP
NAVIGATOR SYSTEMS
NJ MALIN & ASSOC INC
OCCUCENTERS I LP/CONCENTRA
OFFICE FURNITURE TEAM, INC.
OMNIFLIGHT HELICOPTERS INC
OSTEOMED CORPORATION
PALM HARBOR HOMES INC
PC CONNECTION SALES OF MASSACHUSETTS, INC.
PIZZA HUT INC
PORTER AA LIGHTING FIXTURE CO
PRESENTATION SSVCS
REED TOOLING
SCOTT & REID GENERAL CONTRACTO
SECURUS TECHNOLOGIES
SPECIALTY RISK SERVICES
STAUBACH COMPANY THE
THE HOME DEPOT
TITLESTAR LLC
TRINITY HARDWOOD DIST INC
UDV NORTH AMERICA INC
UNITED SURGICAL PARTNERS INTL
US BIOSERVICES
VALTECH TECHNOLOGIES INC
WACHOVIA BANK N A
WALDEN RESIDENTIAL PROPERTIES
WATSON & TAYLOR
WMC MORTGAGE CORP/G E FINANCIAL
ZETLEY APPLIANCE DISTRIBUTOR



Known by the companies we keep....

Twelve @ 12

Luncheon

*Please join us for an informal lunch
with Mayor Bill Whitfield,
Bill Cox, Council At Large,
Thad Helsley, Council At Large,
and City Manager, Larry Robinson*

*Wednesday, February 14, 2007
11:30 am - 1:00 pm*

*McKinney Chamber Board Room
1650 W. Virginia, Suite 110*

RSVP 972-542-0163 by February 8, 2007

You are cordially invited to our Twelve @ 12 luncheon series sponsored by the McKinney Chamber's Business Retention & Expansion Program.

I certainly hope you will be able to join us. The agenda is simple with introductions and an open discussion that will encourage each person to introduce their organization, discuss their business outlook and how they feel about doing business in McKinney, ask questions, offer suggestions, and explain concerns.

Please let us know if you will be able to attend or would prefer another month, 972-542-0163 or jlester@mckinneytx.org.

Sincerely,

Jeannie Lester
Director
Business Retention & Expansion Program

SUSTAINING MEMBERS
Blockbuster, Inc.
Craig International, Inc.
Encore Wire, Ltd.
Emerson Process Management
Capital One
IESI
Medical Center of McKinney
Pogue Construction
Raytheon
The Body Shop
TXU Electric Delivery
Wal-Mart

BOARD OF DIRECTORS

Officers

Johnny Galyean, Chair
Square One Mortgage
Ray Ricchi, Chair-Elect
The Ballfields at Craig Ranch
Keith Clifton, Treasurer
Tenant Tracker
Robbie Clark, Past Chair
Trinity Drilling

Sector Chairs

Mike Holt
Market Street
Chris Cronin
American National Bank of Texas
Liesl Friesenhahn
McKinney Travel
Billy Leonard
Strasburger & Price, LLP
Sherry Tucker-David
Tee Bee Caprock

Directors

Peggy Broughton
Craig International, Inc.
Loren Brown
Wal-Mart
Bill Campbell
Kleinfelder
Lynn Canavan
Surgical Associates of North Texas
Tom Crowe
McKinney ISD
Andy Hardin
Inside Collin County Business
Daniel Jones
Encore Wire, Ltd
Lance Lindsay
Lance C. Lindsay, LPL
Brian Loughmiller
Loughmiller and Puhl, LLP
Rex Parcels
Collin County Community College
David Pittstick
MEDC
Brandon Pogue
The Pogue Group
Dwayne Ray
Medical Center of McKinney
Larry Robinson
City of McKinney
Bob Roeder
Abernathy, Roeder, Boyd & Joplin
Gerry Russell
Ebby Halliday Realtors
David Smith
Next Media Group - KLAK FM
Don Stone
Northside Pharmacy

1650 W. Virginia Street
Suite 110
McKinney, TX 75069

Phone: 972-542-0163
Fax: 972-542-6341
www.mckinneytx.org

Empowering our members to achieve economic success ...